

# News

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## CONSUMER PRICE INDEX FOR THE SOUTH—MARCH 2004

The Consumer Price Index for All Urban Consumers (CPI-U) for the South<sup>1</sup> increased 0.6 percent in March, not seasonally adjusted, to a level of 180.1 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Sheila Watkins noted that higher costs for apparel, housing and transportation accounted for the increase in prices over the month. Energy costs advanced 1.6 percent in March while costs for food rose 0.2 percent. Excluding food and energy, the CPI-South increased 0.5 percent over the month.

Over the past 12 months, prices in the South have risen 1.5 percent due to higher costs for housing, medical care, and food and beverages. Energy costs advanced 2.3 percent over the year, while food prices increased 3.3 percent. Excluding food and energy costs, the index for all other items rose 1.0 percent since last March, slightly higher than the 12-month increase recorded in March 2003.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				Unadjusted 12 months Percent change ended March, 2004
	March 2003	January 2004	February 2004	March 2004	
All items	3.1	0.4	0.5	0.6	1.5
Food and beverages	1.4	0.2	0.1	0.2	3.2
Housing	2.9	0.4	0.6	0.3	1.9
Apparel	-1.9	-3.2	0.3	5.5	-2.4
Transportation	7.3	1.8	0.9	0.9	-0.4
Medical care	4.8	0.3	0.6	0.3	3.9
Recreation 1/	2.1	0.3	0.6	0.3	1.2
Education and communication 1/	1.8	0.1	0.2	-0.4	0.0
Other goods and services	1.3	0.1	0.1	0.3	1.3

1/ Index on a December 1997=100 base.

Among the major index groups, the food and beverages index slightly increased 0.2 percent over the month. The slight rise was due to a 0.3 percent increase in the cost of food at home. Costs for food away from home rose 0.2 percent, while the index for alcoholic beverages advanced 0.6 percent over the month. Over the year, the food and beverages index has advanced 3.2 percent reflecting a 3.6 percent rise in the costs of food at home and a 2.9 percent increase in costs for food purchased away from home. Costs for alcoholic beverages have risen 2.3 percent over the past year.

<sup>1</sup> South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Housing costs advanced 0.3 percent in March due to higher costs for shelter, which rose 0.5 percent over the month. The shelter index consists of three components: rent of primary residence, owners' equivalent rent of primary residence, and lodging away from home. The index for rent of primary residence and the index for owners' equivalent rent of primary residence increased 0.2 percent, each. Information for costs for lodging away from home is not published as a separate index. Household fuels and utilities costs declined 0.6 percent in March after advancing 0.3 percent in February. Electricity costs rose 0.2 percent while the index for utility (piped) gas service dropped 4.6 percent. Household furnishings and operations costs fell 0.2 percent in March. Since March 2003, the housing index has risen 1.9 percent as costs for shelter increased 2.1 percent and fuels and utilities gained 3.1 percent. Costs for electricity have risen 5.1 percent while utility (piped) gas service prices have fallen 7.7 percent. Over the past year, prices for household furnishings and operations have declined 1.0 percent.

Apparel costs increased 5.5 percent over the month after rising a modest 0.3 percent in February 2004. This one month increase was the largest rise recorded since the index became monthly in 1987. Over the past year, apparel prices declined 2.4 percent. This index has not recorded a twelve month increase in prices since October 2001.

Transportation costs rose 0.9 percent in March due to rising gasoline prices (4.3 percent). Costs for new vehicles fell 0.4 percent over the month, while costs for used cars and trucks increased 0.2 percent. Since March 2003, the transportation index dropped 0.4 percent, due to an 11.4 percent decline in the price of used cars and trucks and a 0.5 percent decline in the cost of new vehicles. Gasoline costs have risen 2.5 percent over the past year.

Medical care costs rose 0.3 percent in March. Over the month, costs of medical care commodities and services have risen 0.3 percent, each. Over the past year, the medical care index has gained 3.9 percent, primarily due to a 4.3 percent rise in medical care services. Medical care commodities' costs increased a more modest 2.6 percent for that same time period.

Other major index groups include the recreation index, education and communication index, and the other goods and services index. The recreation index recorded its third consecutive monthly increase (0.3 percent). The education and communication index dropped 0.4 percent over the month after increasing for three consecutive months, while the index for other goods and services rose 0.3 percent. Since March 2003, the recreation index has advanced 1.2 percent, while the education and communication index was unchanged for the second consecutive month. Costs for other goods and services have risen 1.3 percent higher than a year ago.

### **Population size groups**

Over the month, consumer prices in the South rose 0.6 percentage point for the largest areas, those with 1.5 million or more residents (Size Class A). In mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), the index increased 0.5 percent in March. In small metropolitan areas, those with populations of less than 50,000 (Size Class D), the index advanced 0.5 percentage point. Over the year, consumer costs in the South rose 1.5 percent in the largest areas (Size Class A), 1.4 percent in the mid-sized areas (Size Class B/C), and 1.3 percent in the smallest areas (Size Class D).

## Technical Notes

As announced, the Bureau of Labor Statistics (BLS) has updated the consumption expenditure weights in the Consumer Price Index for all Urban Consumers (CPI-U) to the 2001-02 period, effective with release of data for January 2004. The updated expenditure weights for this index replace the 1999-2000 weights which were introduced with the January 2002 CPI release. As originally announced by BLS in December 1998, CPI expenditure weights will continue to be updated at two-year intervals subsequent to the 2004 updating.

During the past year, the CPI program completed its conversion to Computer Assisted Data Collection (CADC). Due to the efficiencies gained from conversion to CADC, BLS has extended data collection to cover the entire month, beginning with data for January 2004. CPI data collection is scheduled in terms of business days – weekdays excluding holidays. Formerly, data collection covered three pricing periods, each comprising six business days in most months and five days in November and December. Consequently, the last day of scheduled data collection was usually the 18<sup>th</sup> business day of the month. This allowed time during the end of the month for the mailing of paper schedules back to the Washington Office and the data entry of the information in these schedules. Starting in January 2004, the three pricing periods now have variable lengths, between six and eight business days long. The third pricing period normally will end on the last business day of the month.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro3/home.htm>. CPI data are also available through our fax-on-demand system. For a catalog of items available to be faxed to you, call our fax-on-demand number at (215) 597-4153. If you have additional questions, you can contact the Philadelphia information office directly by dialing (215) 597-3282. Information from the Consumer Price Index program is available to sensory impaired individuals upon request. Voice phone: 202-691-5200, Federal Relay Services: 1-800-877-8339.

Table 1. Consumer price index for all urban consumers and urban wage earners and clerical workers, South Region, (1982-84=100), not seasonally adjusted.

Group	All urban consumers			Urban wage earners and clerical workers		
	Index March 2004	Percent change to Mar 2004 from		Index March 2004	Percent change to Mar 2004 from	
		Mar 2003	Feb 2004		Mar 2003	Feb 2004
All items	180.1	1.5	0.6	176.7	1.0	0.5
All items (Dec 1977=100)	292.1	-	-	286.2	-	-
Food and beverages	182.1	3.2	0.2	181.2	3.3	0.3
Food	182.2	3.3	0.2	181.2	3.4	0.2
Food at home	179.7	3.6	0.3	178.6	3.7	0.3
Food away from home	188.2	2.9	0.2	187.3	2.8	0.1
Alcoholic beverages	181.6	2.3	0.6	180.9	2.6	0.7
Housing	171.8	1.9	0.3	169.6	1.7	0.2
Shelter	191.9	2.1	0.5	189.8	1.8	0.4
Rent of primary residence	186.7	1.5	0.2	186.1	1.5	0.2
Owners' equivalent rent (1)	193.2	1.8	0.2	179.9	1.8	0.2
Fuel and utilities	155.0	3.1	-0.6	155.2	3.5	-0.4
Fuels	132.4	2.3	-0.9	131.5	2.8	-0.7
Gas (piped) and electricity	133.8	2.5	-0.8	133.4	2.9	-0.6
Electricity	126.6	5.1	0.2	126.2	5.2	0.2
Utility (piped) gas service	176.2	-7.7	-4.6	179.6	-6.6	-4.1
Household furnishings and operation	126.3	-1.0	-0.2	121.3	-1.3	-0.2
Apparel	134.7	-2.4	5.5	134.7	-2.0	4.8
Transportation	157.0	-0.4	0.9	154.2	-1.5	1.0
Private transportation	155.5	-0.4	1.0	152.9	-1.5	1.1
New & used motor vehicles (2)	94.8	-3.4	-0.1	92.6	-5.5	-0.1
New vehicles	142.0	-0.5	-0.4	141.7	-0.4	-0.3
New cars and trucks (2) (3)	96.8	-0.4	-0.3	-	-	-
New cars (3)	140.5	-0.2	-0.1	-	-	-
Used cars and trucks	131.5	-11.4	0.2	132.2	-11.4	0.2
Motor fuel	145.1	2.4	4.3	144.9	2.3	4.2
Gasoline (all types)	144.4	2.5	4.3	144.3	2.4	4.3
Regular unleaded (3)	142.9	2.7	4.5	142.7	2.6	4.4
Midgrade unleaded (3) (4)	151.1	2.1	4.1	151.1	2.0	4.1
Premium unleaded (3)	144.8	2.0	4.0	144.6	2.0	4.0
Medical care	297.2	3.9	0.3	298.1	3.9	0.3
Medical care commodities	260.2	2.6	0.3	255.9	2.3	0.3
Medical care services	307.5	4.3	0.3	309.2	4.4	0.3
Professional services	264.6	2.6	0.4	265.6	2.5	0.4
Recreation (2)	109.1	1.2	0.3	106.9	1.2	0.3
Education and communication (2)	109.1	0.0	-0.4	107.1	-0.8	-0.4
Other goods and services	290.1	1.3	0.3	295.0	0.8	0.3
Commodities	153.9	0.4	0.9	153.5	-0.1	0.9
Services	206.9	2.3	0.3	205.2	2.0	0.2
All items less medical care	173.1	1.3	0.6	170.5	0.8	0.5
All items less shelter	176.5	1.2	0.6	173.2	0.7	0.6
Energy	135.3	2.3	1.6	135.0	2.4	1.7
All items less energy	186.1	1.4	0.4	182.6	0.8	0.4
All items less food and energy	187.3	1.0	0.5	183.1	0.3	0.4
Purchasing power of the consumer dollar:						
1982-84=\$1.00	\$555	-	-	\$566	-	-
December 1977=\$1.00	\$342	-	-	\$349	-	-
SOUTH REGION						
Class A - More than 1.5 million pop	181.8	1.5	0.6	178.9	1.4	0.5
Class B/C - 50,000 to 1.5 million pop 5/	114.9	1.4	0.5	113.4	0.8	0.6
Class D - Nonmet less than 50,000	177.7	1.3	0.5	176.9	0.7	0.5

1/ Indexes on a December 1982=100 base.

2/ Indexes on a December 1977=100 base.

3/ Special index based on a substantially smaller sample.

4/ Indexes on a December 1993=100 base.

5/ Indexes on a December 1996=100 base.

- Data not available.